

ND RETIREMENT AND INVESTMENT OFFICE
A Division of ND Retirement and Investment Office
Balance Sheet
As of 6/30/2007

9/10/2007

	As of <u>6-30-07</u>	As of <u>6-30-06</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,845,998,567	\$ 1,568,651,856
INTERNATIONAL EQUITIES	944,760,297	728,736,085
DOMESTIC FIXED INCOME	1,973,499,969	1,827,967,399
INTERNATIONAL FIXED INCOME	179,265,016	175,048,602
REAL ESTATE	417,638,876	361,756,992
ALTERNATIVE INVESTMENTS	173,508,671	137,923,531
INVESTED CASH (NOTE 1)	<u>84,933,966</u>	<u>86,329,243</u>
 TOTAL INVESTMENTS	 5,619,605,362	 4,886,413,708
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	23,668,338	23,902,849
CONTRIBUTIONS RECEIVABLE	8,058,323	7,715,230
MISCELLANEOUS RECEIVABLE	<u>7,075</u>	<u>6,934</u>
 TOTAL RECEIVABLES	 31,733,736	 31,625,013
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	584,981,829	628,901,672
OPERATING CASH	10,032,855	9,827,264
FIXED ASSETS (NET OF ACCUM DEPR)	<u>789,382</u>	<u>1,035,729</u>
 TOTAL ASSETS	 <u>\$ 6,247,143,164</u>	 <u>\$ 5,557,803,386</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	584,981,829	628,901,672
ACCOUNTS PAYABLE	75,649	80,135
ACCRUED EXPENSES	519,832	492,644
CAPITAL LEASE PAYABLE	1,210	5,662
INVESTMENT EXPENSES PAYABLE	<u>7,719,499</u>	<u>4,292,152</u>
 TOTAL LIABILITIES	 593,298,019	 633,772,265
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,924,031,121	4,423,471,342
RESTATEMENT AMOUNT	0	955,211
CASH IN DURING YEAR (NOTE 3)	295,030,109	390,918,734
CASH OUT DURING YEAR (NOTE 4)	358,929,903	319,323,971
NET INCREASE (DECREASE)	<u>793,713,818</u>	<u>428,009,805</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>5,653,845,145</u>	 <u>4,924,031,121</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 6,247,143,164</u>	 <u>\$ 5,557,803,386</u>

ND RETIREMENT AND INVESTMENT OFFICE
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 6/30/2007

9/10/2007

	Month Ended <u>6-30-07</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 15,370,981	\$ 158,554,823
SECURITIES LENDING INCOME	<u>3,028,612</u>	<u>31,961,049</u>
	18,399,593	190,515,872
GAIN ON SALE OF INVESTMENTS	62,834,716	536,270,605
LOSS ON SALE OF INVESTMENTS	<u>35,303,931</u>	<u>247,985,813</u>
NET GAINS (LOSSES) INVESTMENTS	27,530,785	288,284,792
INVESTMENT EXPENSES	4,783,247	24,628,575
SECURITIES LENDING EXPENSES	<u>2,756,141</u>	<u>30,784,240</u>
NET INVESTMENT INCOME	38,390,990	423,387,849
NET APPREC (DEPREC) MARKET VALUE	(40,969,302)	412,128,466
MISCELLANEOUS INCOME/(EXPENSE)	<u>(696,352)</u>	<u>(3,205,404)</u>
TOTAL INVESTMENT INCOME	(3,274,664)	832,310,911
CONTRIBUTIONS & ASSESSMENTS (NOTE 5)	16,183,500	63,731,238
PURCHASED SERVICE CREDIT (NOTE 6)	318,594	2,629,006
PENALTY & INTEREST (NOTE 7)	<u>504</u>	<u>1,855</u>
TOTAL ADDITIONS	<u>13,227,934</u>	<u>898,673,010</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 8)	8,511,396	98,784,161
PARTIAL LUMP SUM BENEFITS PAID	439,895	953,744
REFUNDS TO MEMBER (NOTE 9)	<u>219,740</u>	<u>3,328,931</u>
TOTAL BENEFITS PAID	9,171,031	103,066,836
ADMINISTRATIVE EXPENSES	456,194	1,892,356
TOTAL DEDUCTIONS	<u>9,627,225</u>	<u>104,959,192</u>
NET INCREASE (DECREASE)	<u><u>\$ 3,600,709</u></u>	<u><u>\$ 793,713,818</u></u>

ND RETIREMENT AND INVESTMENT OFFICE

9/10/2007

Notes To Financial Statements

June 30, 2007

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 5 **CONTRIBUTIONS**

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 6 **PURCHASED SERVICE CREDIT**

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 7 **PENALTY & INTEREST**

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 8 **BENEFITS PAID TO PARTICIPANTS**

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 9 **REFUND TO MEMBERS**

Refunds of teachers' accounts who have ceased teaching in North Dakota.